

§ 187.325

covered by a preferred mortgage when an application for a certificate of title is filed in that State, then the status of the preferred mortgage covering the vessel is determined by the law of the jurisdiction in which the vessel is currently titled or documented.

(c) A State must recognize, under 46 U.S.C. 31322(d)(2), that, if a vessel titled in a State is covered by a preferred mortgage, that mortgage will continue to be a preferred mortgage even if the vessel is no longer titled in the State where the mortgage, instrument, or agreement granting a security interest perfected under State law became a preferred mortgage.

(d) A State must recognize, under 46 U.S.C. 31322(d)(1), the preferred status of a mortgage, instrument, or agreement granting a security interest perfected under State law covering the whole of a vessel titled in a State after the Commandant has certified that State's titling system and the State participates in VIS with respect to the vessel.

(e) The State must provide that the perfection procedures required to be established under this section do not apply to—

(1) A lien given by statute or rule of law to a supplier of services or materials for the vessel;

(2) A lien given by statute to the United States, a State, or a political subdivision thereof;

(3) A lien arising out of an attachment of a vessel;

(4) A security interest in a vessel created by a dealer or manufacturer who holds the vessel for sale, irrespective of whether the vessel is titled;

(5) A security interest claimed in a vessel's proceeds, as defined in the Uniform Commercial Code in effect in the State, if the security interest in the vessel did not have to be noted on a vessel's title in order to be perfected; or

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(6) Any vessel for which a certificate of title is not required in the State.

§ 187.325 Is a State required to specify procedures for the assignment of a security interest?

Yes, a State must specify the procedures that apply to the assignment of a security interest in a vessel titled in that State.

§ 187.327 What are a State's responsibilities concerning a discharge of security interests?

A State must specify the evidence and information that a secured party is required to submit regarding discharge of a security interest and establish procedures for its submission.

§ 187.329 Who prescribes and provides the forms to be used?

A State must prescribe and provide the forms needed to comply with the titling system.

§ 187.331 What information is to be retained by a State?

A State must retain the evidence used to establish the accuracy of the information required for vessel titling purposes and make it available on request to the Coast Guard, participating States, and law enforcement authorities.

APPENDIX A TO PART 187— PARTICIPATING AUTHORITIES

The following States comply with the requirements for participating in VIS:

[Reserved]

APPENDIX B TO PART 187—PARTICIPATING AND CERTIFIED TITLING AUTHORITIES

The following States comply with the requirements for participating in VIS and have a certified titling system: [Reserved]

PARTS 188–199 [RESERVED]